

HOOLEY, BUTLER, DiFRANCESCO & KELLY

COUNSELLORS AT LAW

190 ELM STREET

WESTFIELD, NEW JERSEY 07091

NEALE F. HOOLEY
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AREA CODE 201

4-269A081

MAILING ADDRESS
P.O. Box 669

RECORDATION NO. 14433 Filed 1425

SEP 25 1984 - 2 40 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Interstate Commerce Commission Building
12th Street and Constitution Avenue
Washington, D. C. 20423

No.

Date SEP 25 1984

Fee \$ 10.00

ICC Washington, D.C.

September 21, 1984

RECORDATION NO. 14433 Filed 1425

SEP 25 1984 - 2 40 AM

INTERSTATE COMMERCE COMMISSION

Re: Continental Tank Car
Corporation et al.

Gentlemen:

Enclosed you will find executed copies of a Security Agreement in the Nature of a Chattel Mortgage and two Assignments of Security and other interests. Please record each of the enclosures and return the executed documents to us following recordation.

A check Not to Exceed \$50 is enclosed to cover recording fees. Please fill in the amount of your fee on the enclosed copy of this letter.

Sincerely,

Neale F. Hooley

NFH:kc
Enc.

SEP 25 2 33 PM '84
MOTOR OPERATING UNIT
ICC OFFICE OF
THE SECRETARY

Interstate Commerce Commission
Washington, D.C. 20423

9/25/84

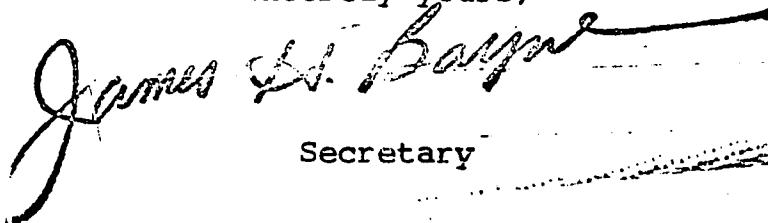
OFFICE OF THE SECRETARY

Neale F. Hooley
Hooley, Butler, DiFrancesco & Kelly
190 Elm Street
Westfield, New Jersey 07091

Dear sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/25/84 at 2:40pm and assigned re-recording number(s). 14433 & 14433-A

Sincerely yours,


Secretary

Enclosure(s)

SECURITY AGREEMENT IN THE NATURE
OF A CHATTEL MORTGAGE

14433

RECORDATION NO. Filed 1425

SEP 25 1984 - 2 40 AM

INTERSTATE COMMERCE COMMISSION

AGREEMENT made as of the 11th day of September 1984 among THE CENTRAL JERSEY BANK AND TRUST COMPANY, a banking institution with offices at Route Nine, Freehold, New Jersey ("Creditor") and the following parties, all of whom have a common office address of 200 North Avenue, East, Westfield, New Jersey and who will be sometimes hereinafter collectively referred to as "Continental/Thomas": H. EMERSON THOMAS, GORDON B. THOMAS, H. EMERSON THOMAS, JR., HETSONS MARINE LIMITED, SUBURBAN FUEL TANK CAR COMPANY, PRESSURE TANK CAR COMPANY, WESTFIELD CORPORATION and CONTINENTAL TANK CAR CORPORATION.

WHEREAS, Continental Tank Car Corporation ("Continental") has this date executed a Loan Agreement with Creditor whereby the latter has advanced or otherwise credited the aggregate sum of \$2.6 million to Continental or its accounts, respectively; and

WHEREAS, in accordance with the aforesaid Loan Agreement Continental is required to provide collateral to Creditor during the term of such Loan Agreement and the Note issued by Continental to Creditor thereunder;

WHEREAS, each of the parties constituting Continental/Thomas as such term is defined in this Agreement, is a director, officer, shareholder or wholly-owned subsidiary of Continental or is a partnership association whose partners are composed solely of one or more of the above.

NOW, THEREFORE, the parties hereto agree as follows:

1. The Security Interest

To induce the Creditor to enter into a Loan Agreement of even date herewith, pursuant to which Creditor is obligated to advance or otherwise credit Continental's account in the aggregate sum of \$2.6 million (the "Loan Agreement"), Continental/Thomas hereby jointly and severally grant Creditor a security interest in their various respective rights and interest in and under the instruments set forth and identified in Schedule A to this Agreement (the "Collateral"), including without limitation all right(s) and interest(s) which Continental/Thomas and/or any one or more of the parties identified as the same hold and enjoy by virtue of Security Agreements in the Nature of Chattel Mortgages, Preferred Ship Mortgages, Notes, Leases, Charters, Assignments of Leases, Assignments of Charters or Assignments of Personal Liability Agreements received from or executed by any one or more of the following parties: Elliot J. Seley, Darcy Associates, Rai-One Mortgage Corporation, Rai-Two Mortgage Corporation, Rai-Three Mortgage Corporation or Rai-Four Mortgage Corporation. Creditor hereby acknowledges its receipt of a copy of each of the instruments underlined in Schedule A attached hereto.

2. REPRESENTATIONS AND WARRANTIES

Continental/Thomas represent to the Creditor that:

A. Each of the items of Equipment which is subject to or identified in any of the instruments set forth and identified in Schedule A attached hereto (the "Equipment") is in proper operating condition as of the date of this instrument and is used primarily for business purposes.

B. This Security Agreement constitutes a legal, valid and binding obligation enforceable jointly and severally against Continental/Thomas in accordance with its terms without defense, setoff or counterclaim.

C. Each of the representations and warranties of Continental Tank Car Corporation set forth in the Loan Agreement be and they hereby are affirmed in full by Continental/Thomas with the same force and effect as though set forth at length herein.

2.1 Covenants

Continental/Thomas jointly and severally covenant with the Creditor that they will each do all of the following:

A. Sign such financing statements or other documents in form satisfactory to the Creditor which the Creditor may at any time desire to file in order to protect or perfect its security interest in the documents set forth in Exhibit A attached hereto and reimburse the Creditor for the costs of filing the same and execute and deliver to the Creditor any instrument, document, assignment or other writing which may be necessary or convenient to the Seller to carry out the terms of this Security Agreement and to perfect its security interest hereunder.

B. Not create or execute any mortgage, pledge, lease, assignment, encumbrances, charge or other lien or security interest in, on or with respect to the Collateral or to cause the termination of any right which has been assigned to the Creditor hereunder other than with the approval of Creditor and in compliance with the terms of this Agreement.

3. DEFAULTS AND REMEDIES

A. The occurrence of any one or more of the events set forth and identified in Section 4.1 of the Loan Agreement following the appropriate grace period, if any, provided therein shall automatically constitute and be considered a default for the purposes of this instrument.

B. Upon the occurrence of an event of default as defined above Creditor shall enjoy each of the remedies and rights which are identified and set forth in Section 4.2 of the Loan Agreement with the same force and effect as though set forth at length herein.

4. MISCELLANEOUS

4.1 Waivers

Continental/Thomas jointly and severally hereby waive notice of any notice of presentment, demand for payment, protest and notice of nonpayment of the same as well as all defenses, setoffs and counterclaims which might increase their risk hereunder and all notices required by law. Continental/Thomas jointly and severally further agree that the right of Creditor to sell, dispose of or otherwise utilize any other portion of the Collateral in order to satisfy in full all obligations of Continental under the Loan Agreement and the Note issued in connection therewith is absolute. No delay or failure by the Creditor to exercise any right or privilege hereunder shall operate as a waiver of such or of any other right or privilege and no waiver shall be valid unless in writing and signed by the Creditor hereunder.

4.2 Construction

This Security Agreement shall be construed under New Jersey law and federal law to the extent applicable and references to the plural shall include the singular and others and references to the singular shall include the plural as the context requires. The invalidity, illegality or unenforceability of one or more provisions of this Security Agreement or the Note shall in no way affect the Creditor's rights under the remaining portion of this Security Agreement or such Note.

4.3 Notices


Notices to the parties hereto shall be effective when physically delivered or sent to the respective parties hereto by first class, certified mail, return receipt requested, postage prepaid at the addresses set forth in the introduction to this Security Agreement. Continental/Thomas hereby designate H. Emerson Thomas as their representative to receive all notices sent to them by the Creditor under this Agreement.

4.4 Indebtedness Secured

The Indebtedness secured by this instrument is secured, in addition, by an Assignment of the Charter Rights of even date herewith executed by Continental Tank Car Corporation in favor of Creditor with respect to certain barge charter lease rights enjoyed by the former, it being the express intention of Continental/Thomas that the aggregate interest of Creditor in the collateral securing the Note shall be limited to the right of payment of principal and interest under the Note and such other costs, expenses or charges as are permitted the Creditor under such Assignment of Charter Rights and this Security Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement
as of the date first written above.

ATTEST:


ROBERT S. ARMSTRONG
Assistant Vice President &
Assistant Secretary

THE CENTRAL JERSEY BANK AND TRUST
COMPANY

By 

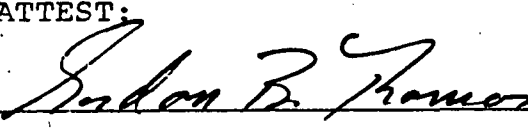
HETSONS MARINE LIMITED
A Limited Partnership

By 
Gordon B. Thomas

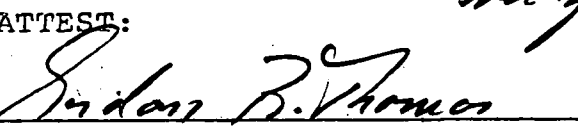
SUBURBAN FUEL TANK CAR COMPANY

By 
H. Emerson Thomas

ATTEST:


Gordon B. Thomas

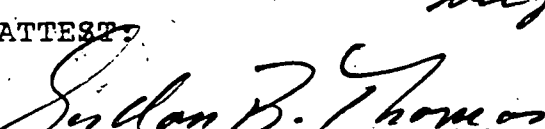
ATTEST:


Gordon B. Thomas

PRESSURE TANK CAR COMPANY

By 
H. Emerson Thomas

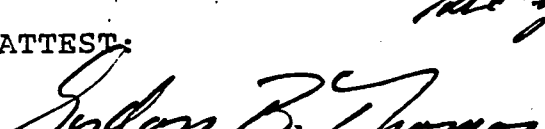
ATTEST:


Gordon B. Thomas

WESTFIELD CORPORATION

By 
H. Emerson Thomas

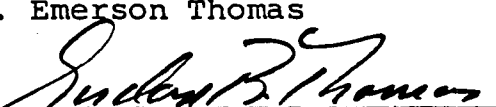
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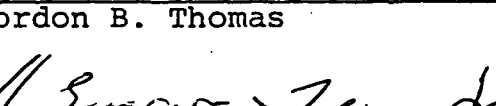

Gordon B. Thomas

CONTINENTAL TANK CAR CORPORATION

By 
H. Emerson Thomas


H. Emerson Thomas


Gordon B. Thomas


H. Emerson Thomas, Jr.

STATE OF NEW JERSEY, COUNTY OF UNION,

SS.:

I CERTIFY that on September , 19 84 .

JOHN W. BISBEE, JR.

personally came before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person signed, sealed and delivered the attached document as Executive Vice President of The Central Jersey Bank and Trust Company, the corporation named in this document;
- (b) the proper corporate seal was affixed; and
- (c) this document was signed and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors.

Bette Ann Pleydun

A Notary Public of New Jersey
My Commission Expires: 8/2/89

STATE OF NEW JERSEY, COUNTY OF UNION,

SS.:

I CERTIFY that on September 11th, 19 84 ,

Gordon B. Thomas

personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person signed, sealed and delivered the attached document as a Manager
of Hetson's Marine Limited the N. J. Limited Partnership Asso.
/ the corporation named in this document; and

(b) this document was signed and made by the aforesaid entity as and
for its voluntary act by virtue of authority granted by its Board
of Managers.

Lucy L. Wilson

NOTARY PUBLIC
STATE OF NEW JERSEY
My Commission Expires April 25, 1987

STATE OF NEW JERSEY, COUNTY OF UNION,

SS.:

I CERTIFY that on September 17th, 1984

Gordon B. Thomas

personally came before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person signed, sealed and delivered the attached document as Vice President of Suburban Fuel Tank Car Co. the corporation named in this document;
- (b) the proper corporate seal was affixed; and
- (c) this document was signed and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors.

Lucy L. Wilson

LUCY L. WILSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 25, 1987

STATE OF NEW JERSEY, COUNTY OF UNION,

SS.:

I CERTIFY that on September 11th, 1984,

Gordon B. Thomas
personally came before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person signed, sealed and delivered the attached document as Vice President
of Pressure Tank Car Corporation the corporation named in this document;
- (b) the proper corporate seal was affixed; and
- (c) this document was signed and made by the corporation as its voluntary act and deed by virtue of
authority from its Board of Directors.

Lucy L. Wilson

LUCY L. WILSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 25, 1987

STATE OF NEW JERSEY, COUNTY OF UNION,

SS.:

I CERTIFY that on September 11th, 1984,

H. Emerson Thomas

personally came before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person signed, sealed and delivered the attached document as President of Westfield Corporation the corporation named in this document;
- (b) the proper corporate seal was affixed; and
- (c) this document was signed and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors.

Lucy L. Wilson

LUCY L. WILSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 25, 1987

STATE OF NEW JERSEY, COUNTY OF UNION,

SS.:

I CERTIFY that on September 11th, 1984,

personally came before me and this person acknowledged under oath, to my satisfaction, that:

H. Emerson Thomas

- (a) this person signed, sealed and delivered the attached document as President of Continental Tank Car Corporation the corporation named in this document;
- (b) the proper corporate seal was affixed; and
- (c) this document was signed and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors.

Lucy L. Wilson

LUCY L. WILSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 25, 1987

STATE OF NEW JERSEY, COUNTY OF UNION,

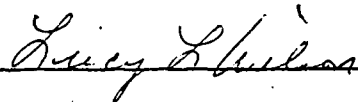
SS.:

I CERTIFY that on September 11th, 19 84 ,

H. Emerson Thomas

personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- (a) is named in and personally signed the attached document; and
- (b) signed, sealed and delivered this document as his or her act and deed.



LUCY L. WILSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 25, 1987

STATE OF NEW JERSEY, COUNTY OF UNION,

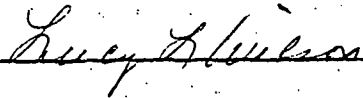
SS.:

I CERTIFY that on September 11th, 19 84

Gordon B. Thomas

personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- (a) is named in and personally signed the attached document; and
- (b) signed, sealed and delivered this document as his or her act and deed.



LUCY L. WILSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 25, 1987

STATE OF NEW JERSEY, COUNTY OF UNION,

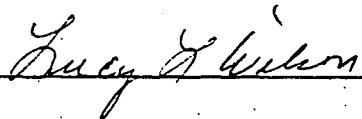
SS.:

I CERTIFY that on September 11th, 19 84 ,

H. Emerson Thomas, Jr.

personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- (a) is named in and personally signed the attached document; and
- (b) signed, sealed and delivered this document as his or her act and deed.



LUCY L. WILSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 25, 1987

SCHEDULE A

COLLATERAL REFERENCED IN THE FOREGOING AGREEMENT

The chattels and or rights therein or with respect thereto, more particularly described on the attached pages (Group A - Group F, inclusive) is the collateral which is intended to secure indebtedness in the aggregate amount of \$2.6 million which has been advanced or is shortly to be advanced by The Central Jersey Bank and Trust Company to Continental Tank Car Corporation.

Group A - 10 semi-integrated barges:
Charterer's Operating Numbers GMT 513 - 522, inclusive;

Group B - 21 railroad tank cars:
Identifying Numbers SFTX 31136, 7 & 8;
SFTX 21401 - 21418, inclusive;

Group C - 11 railroad tank cars:
Identifying Numbers CNTX 5031 - 3038, inclusive, and
5040, 5041 and 5042;

Group D - 20 railroad tank cars:
Identifying Numbers CNTX 5010 - 5023, inclusive;

Group E - 29 railroad tank cars:
Identifying Numbers CNTX 23001 - 23029, inclusive;

Group F - 81 railroad tank cars:
Identifying Numbers SFTX 901 - 903, inclusive, and
945 - 966, inclusive, and
970.

CNTX 1001-1012, incl.

CNTX 1201-1220, incl.

CNTX 1301-1323, incl.

Group A - 10 Barges

10 Barges each measuring 195' x 35' x 12' of a type and style known as semi-integrated Cover Hopper Barges complete with Dravo designed lift-off covers (66" x 84") for grain door openings. Identifying Numbers are:

<u>Charterer's Operating Number</u>	<u>U. S. Coast Guard Official Number</u>	<u>Dravo Hull Number</u>
GMT 513	544847	6012
GMT 514	544948	6013
GMT 515	544849	6014
GMT 516	544850	6015
GMT 517	544851	6016
GMT 518	544852	6017
GMT 519	544853	6018
GMT 520	544854	6019
GMT 521	544855	6020
GMT 522	544856	6021

Purchased by Westfield Corporation ("Westfield") during May 1973; Purchase Money Mortgage and Note issued to CJBT; PMM amended May 1983 to reflect payment terms of then current note. Currently under charter to Consolidated Barge and Grain Co. (exp. 10/31/88). During November 1980 Westfield sold Barges designated GMT-517, GMT 518, GMT 179 and GMT 520 to Hetson's Marine Limited (HML), a N.J. limited partnership association whose partners are HET, GBT and HET, Jr.

During December 1981 Westfield and HML sold the Barges to Elliot Jay Seley ("EJS") subject to the above-referenced-PMM and charter; Westfield and HML received cash plus notes* and Second Preferred Ship Mortgage (payments are current under these instruments). (*2 Unsecured Notes were satisfied prior to 1984)

Continental Tank Car Corporation (CTCC) executed a charter agreement for an 8 year period beginning 11/1/88 as a means of providing EJS with a guaranteed source of charter payments after the CBGCo. charter expires (copy not attached as parties are negotiating termination rights of CTCC under same). EJS executed an Assignment of his rights under both charters in favor of Westfield.

RAILROAD TANK CARS

Group B - (21 cars)

<u>Car #</u>	<u>Spec.</u>	<u>Capacity</u>
(3) SFTX 31136, 7 & 8	111A-100W1	11,000 gal.
(18) SFTX 21401-21418, incl.	111A-100W2	14,000 gal.

The above cars were initially owned by Suburban Fuel Tank Car Co. or Pressure Tank Car Company. CJBT advanced \$280,000 to SFTCC during February 1978 at which time SFTCC executed a UCC-1 and Security Agreement in favor of CJBT with regard to these units. Both Suburban and Pressure are now wholly-owned subsidiaries of CTCC.

During October 1982 a sale and leaseback transaction was entered into whereby these cars were sold to Rai-One Mortgage Corp. and then leased to CTCC (parent of SFTCC); Rai-One delivered to CTCC a Security Agreement and purchase money Note as well as an Assignment of Personal Liability agreements.

Cars SFTX 31136, 7 & 8 are under lease #2; the remaining cars (18) are under leases #3 and 4.

RAILROAD TANK CARS

Group C - (11 cars)

<u>Car #</u>	<u>Spec.</u>	<u>Capacity</u>
CNTX 5031-5038, incl. and 5040, 5041 & 5042	112J340W	33,000 gal.

Purchased during November 1983 by Westfield; a Security Agreement was executed by Westfield in favor of CJBT to provide CJBT with a lien to secure purchase money Note (\$330,000); a UCC-1 Financing Statement and HET's personal guaranty also secure this loan.

Concurrently with the above purchase transaction, Westfield executed a sale and leaseback transaction for these 11 units with Rai-Three Mortgage Corp. The latter entity also executed a Security Agreement in Westfield's favor to support its purchase money note and assigned to Westfield its rights under certain Personal Liability Agreements.

These cars are all under lease #1.

RAILROAD TANK CARS

Group D - (20 cars)

<u>Car #</u>	<u>Spec.</u>	<u>Capacity</u>
CNTX 5010-5029, incl.	112J340W	33,000 gal.

Purchased during December 1982 by HET, GBT & HET, Jr.;
These individuals executed:

- (i) purchase money notes in the aggregate principal amount of \$400,000, and
- (ii) a security agreement in favor of Fidelity Union Bank and a subordinated purchase money Note and Security Agreement in favor of the seller (Mallard Transp. Co.) in the principal amount of \$400,000, and
- (iii) UCC-1 Financing Statement.

During April 1983 the Thomas' entered into a sale and leaseback transaction with Rai-Two Mortgage Corp. relative to these 20 tank cars; attached are copies of the Lease, the subject Note and the Security Agreement, the assignment to the Thomas' of purchaser's rights under Personal Liability Agreements and the Thomas' joint guarantee of their respective obligations under their purchase money financing in favor of Mallard and Fidelity.

These cars are all under lease #1.

RAILROAD TANK CARS

Group E - (29 cars)

<u>Car #</u>	<u>Spec.</u>	<u>Capacity</u>
CNTX 23001-23029, incl.		23,800 gal.

During November 1983 Westfield purchased 29 tank cars; purchase money financing (\$675,000) was provided by CJBT, who received a Note, Security Agreement, the personal guaranty of HET and a UCC-1 Financing Statement.

During December 1983 Westfield entered into a sale and leaseback transaction with respect to these 29 units with (i) Rai-Four Mortgage Corp. for 25 cars, and (ii) Darcy Associates for the remaining 4 cars (CNTX 23026, 7, 8 and 9). The documentation for these transactions includes Lease, Notes and Security Agreements.

These cars are all under lease #5, 6, 7 and 8.

RAILROAD TANK CARS

Group F - (81 cars)

<u>Car #</u>	<u>Spec.</u>	<u>Capacity</u>
SFTX 901-903, incl.	112-A-400W	30,800 gal.
SFTX 945-966, incl. and 970	112-A-340W	33,200 gal.
CNTX 1001-1012, incl.	112-A-400W	30,800 gal.
CNTX 1201-1220, incl.	112-A-340W	33,000 gal.
CNTX 1301-1323, incl.	112-A-340W	

These 81 cars are owned by CTCC or its wholly owned subsidiary SFTCC and are not subject to any lien or mortgage. Current and future leases of these cars are subject to assignments (3) of lease executed in favor of Fidelity Union Bank (1979 & 1981 financings); the original loan was rewritten and incurred during September 1981 at which time CTCC executed an Amendment to Loan Agreement and a \$1.5 million Note, and CTCC and each of its then subsidiaries (SFTCC and Pressure Tank Car Co.) executed Assignments of Leases and Rentals, Security Agreements and MCC-1 Financing Statements in favor of Fidelity and the two(2) subsidiaries executed a reaffirmation of their earlier guaranties.

The above referenced cars are subject to the leases # 9 to 19, inclusive, are on month-to-month leases or are currently nor under lease.

CONTINENTAL TANK CAR CORPORATION

<u>LESSEE</u>	<u>CAR NOS.</u>	<u>No. of Cars</u>	<u>EXPIRATION</u>
1. Buckeye Gas Products	CNTX 5010-5029 CNTX 5031-5038 5040-5042	20 11	03/01/86 03/01/86
2. Lubrizol Corporation	SFTX 31136-37- 31138	3	02/28/85
3. Stauffer Chemical Company	SFTX 21403-04-05- 06-08-10-11-12-13- 14-16-17-18	13	06/30/86
4. Mile High Rail Car	SFTX 507-21401-02- 07-09-15	6	11/30/84
5. Procter & Gamble	CNTX 23002-05-17- 20-21 CNTX 23001-08-10- 12-27	5 5	M/M Mileage
6. Seaview Lubricants	CNTX 23004-06-09- 11-15-22-23-24-25- 28	10	05-01-85
7. Richmond Leasing/Exxon	CNTX 23018	1	12/31/85
8. Hudson's Tank Terminal	CNTX 23003, 07, 13, 8 14, 16, 19, 26, 29		
9. ARCO Petroleum Products	CNTX 1302	1	03/31/85
10. Cal-Gas Corporation	CNTX 1216-1217 1303-1314-1315	5	06/30/86
11. Commonwealth Propane	SFTX 953-955	2	07/31/86
12. Jupiter Chemicals	CNTX 1210	1	01/31/86
13. Mallinckrodt, Inc.	SFTX 31127-28	2	08/31/85
14. Pennwalt Corporation	CNTX 2000-2008 SFTX 31125-26	9 2	12/31/86 03/01/86
15. Chas. Schaefer Sons, Inc.	FRGX 440-449	10	07/01/86
16. Suburban Propane	CNTX 1201-1321	2	Mileage
17. U. S. Industrial Chemicals	CNTX 1212-1310- 1318-1322	4	10/01/84
18. Utility Propane	CNTX 1209-11-13-15- 18-19-20-1301-04- 16	10	07/31/86
19. Blizco/Texas Union	CNTX/SFTX	30	03/31/85